

30-025-41294

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
YATES PETROLEUM CORPORATION
Chukar BTA Federal Com. #1H
1110' FSL & 200' FEL, Surface Hole
860' FSL & 2310' FEL, Bottom Hole
Section 28-T20S-R34E
Eddy County, New Mexico

HOBBS OCD

JUL 25 2013

RECEIVED

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. EXISTING ROADS:

Exhibit A is a portion of the BLM map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 39 miles east of Carlsbad, New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go east of Carlsbad on Highway 62-180 for approximately 39.3 miles to the intersection of Highway 128 and Skeen Road. Turn right on Skeen Road and go approx. 4.7 miles. Just before a metal fence crossing Skeen Road and a sign for a land farm turn right on a two track ranch road and go south for approximately 600 feet to the southeast corner of the proposed well location.

2. PLANNED ACCESS ROAD.

- A. The proposed new access will be approximately .3 of a mile in length going south following an existing two track ranch road.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. The new road will be bladed with drainage on one side. Traffic turnouts may be built.
- D. The route of the road is visible.
- E. Existing roads will be maintained in the same or better condition.

3. LOCATION OF EXISTING WELL:

- A. There is drilling activity within a one-mile radius of the well site.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed well site.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. There are production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power until an electric line can be built, if needed.
- C. We are proposing to construct a fresh water reservoir for fracing this well. The reservoir will be 320'x 320'x11'. It will be located off of the northwest corner of the Chukar BTU Federal Com. #1H well location. And will have an access road going west from the existing two track road for approximately 400' to the reservoir. Please note attached plat showing the location of the reservoir to the well location.

JUL 31 2013

5. LOCATION AND TYPE OF WATER SUPPLY:

A. It is planned to drill the proposed well with a brine water system. The water will be obtained from commercial sources and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS:

The dirt contractor will be responsible for finding a source of material for construction of road and pad and will obtain any permits that may be required.

7. METHODS OF HANDLING WASTE DISPOSAL:

A. A closed loop system will be used to drill this well.

B. The closed loop system will be constructed, maintained, and closed in compliance with the State of New Mexico, Energy and Natural Resources Department, Oil Conservation Division – the “Pit Rule” 19.15.17 NMAC.

C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.

D. Oil produced during operations will be stored in tanks until sold.

E. Current laws and regulations pertaining to the disposal of human waste will be complied with.

F. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary landfill. Burial on site is not approved.

8. ANCILLARY FACILITIES: None

9. WELLSITE LAYOUT:

A. Exhibit B shows the relative location and dimensions of the well pad, the closed loop mud system, location of the drilling equipment, rig orientation and access road approach. The proposed well location will be approximately 350' x 300'. All of the location will be constructed within the 600' x. 600' staked area.

B. The closed loop system will be constructed, maintained and closed in compliance with the State of New Mexico, Energy and Natural Resources Department, Oil Conservation Division—the “Pit Rule” 19.15.17 NMAC.

10. PLANS FOR RESTORATION:

A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the well site in as aesthetically pleasing a condition as possible.

B. Unguarded pits, if any, containing fluids will be fenced until they have dried and been leveled.

C. If the proposed well is plugged and abandoned, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible.

11. SURFACE OWNERSHIP:

Federal Surface managed by the Bureau of Land Management Carlsbad, New Mexico.
Federal Minerals Oil and Gas Leases NM-108997 and NM-039256.

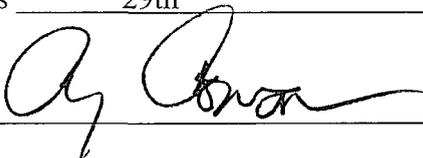
12 OTHER INFORMATION:

- A. The primary use of the surface is for grazing.
- B. Refer to the archaeological report for a description of the topography, flora, fauna, soil, characteristics, dwellings, and historical and cultural sites.

CERTIFICATION
YATES PETROLEUM CORPORATION
Chukar BTA Federal #1H

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; and an someone under employment of Yates Petroleum Corporation has full knowledge of state and federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Executed this 29th day of June 2012

Signature 

Name Cy Cowan

Position Title Land Regulatory Agent

Address 105 South Fourth Street, Artesia, New Mexico 88210

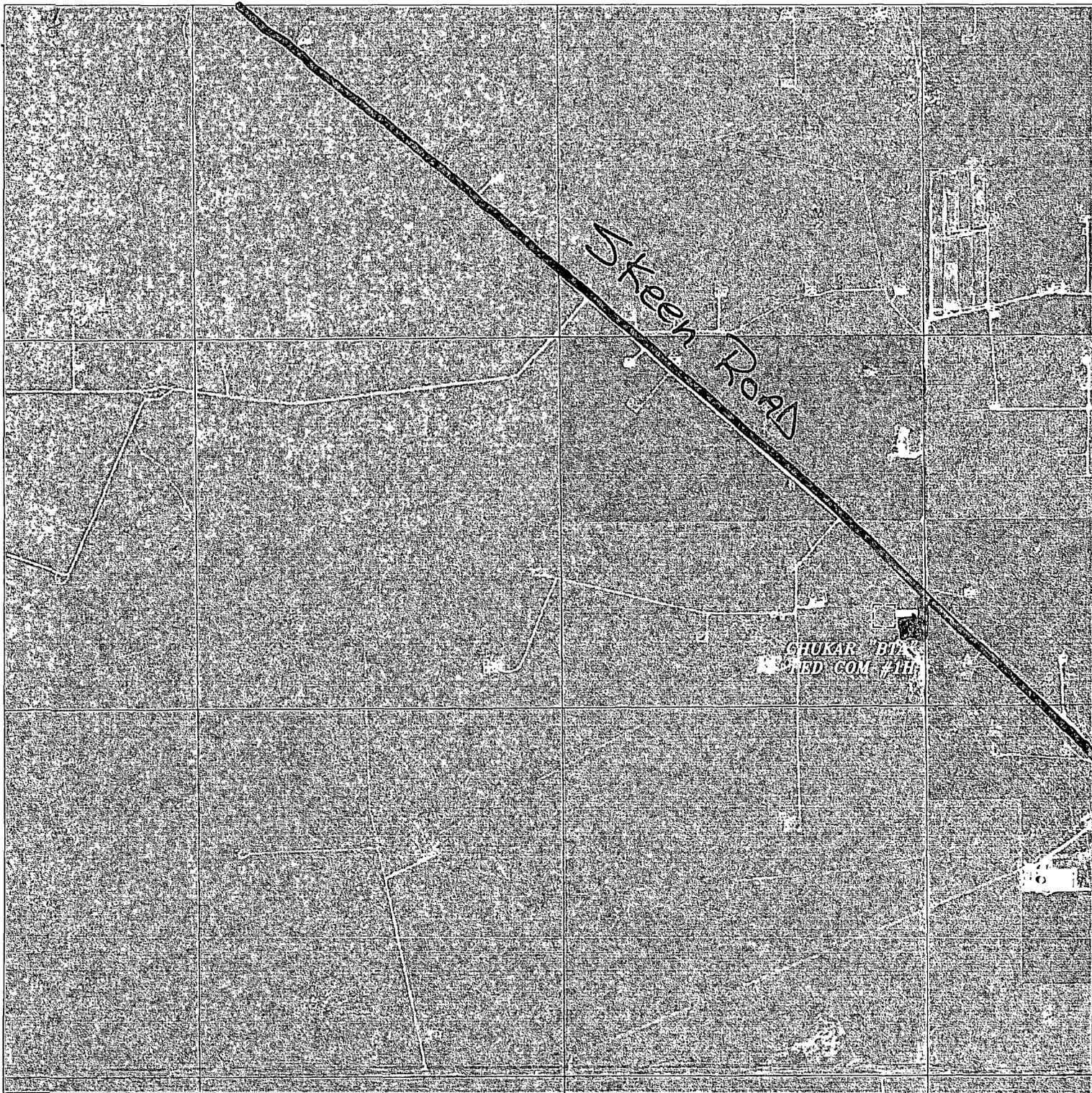
Telephone (575) 748-4372

Field Representative (if not above signatory) Tim Bussell, Drilling Supervisor

Address (if different from above) Same as above.

Telephone (if different from above) (575) 748-4221

E-mail (optional) cy@yatespetroleum.com



*CHUKAR "BTA" FEDERAL COM #1H
Located 1110' FSL and 200' FEL
Section 28, Township 20 South, Range 34 East,
N.M.P.M., Lea County, New Mexico.*



P.O. Box 1786
1120 N. West County Rd.
Hobbs, New Mexico 88241
(575) 393-7316 - Office
(575) 392-2206 - Fax
basinsurveys.com

W.O. Number: KJG 28895

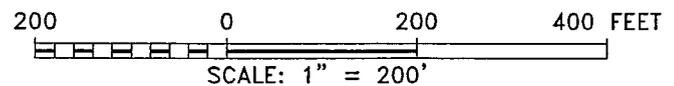
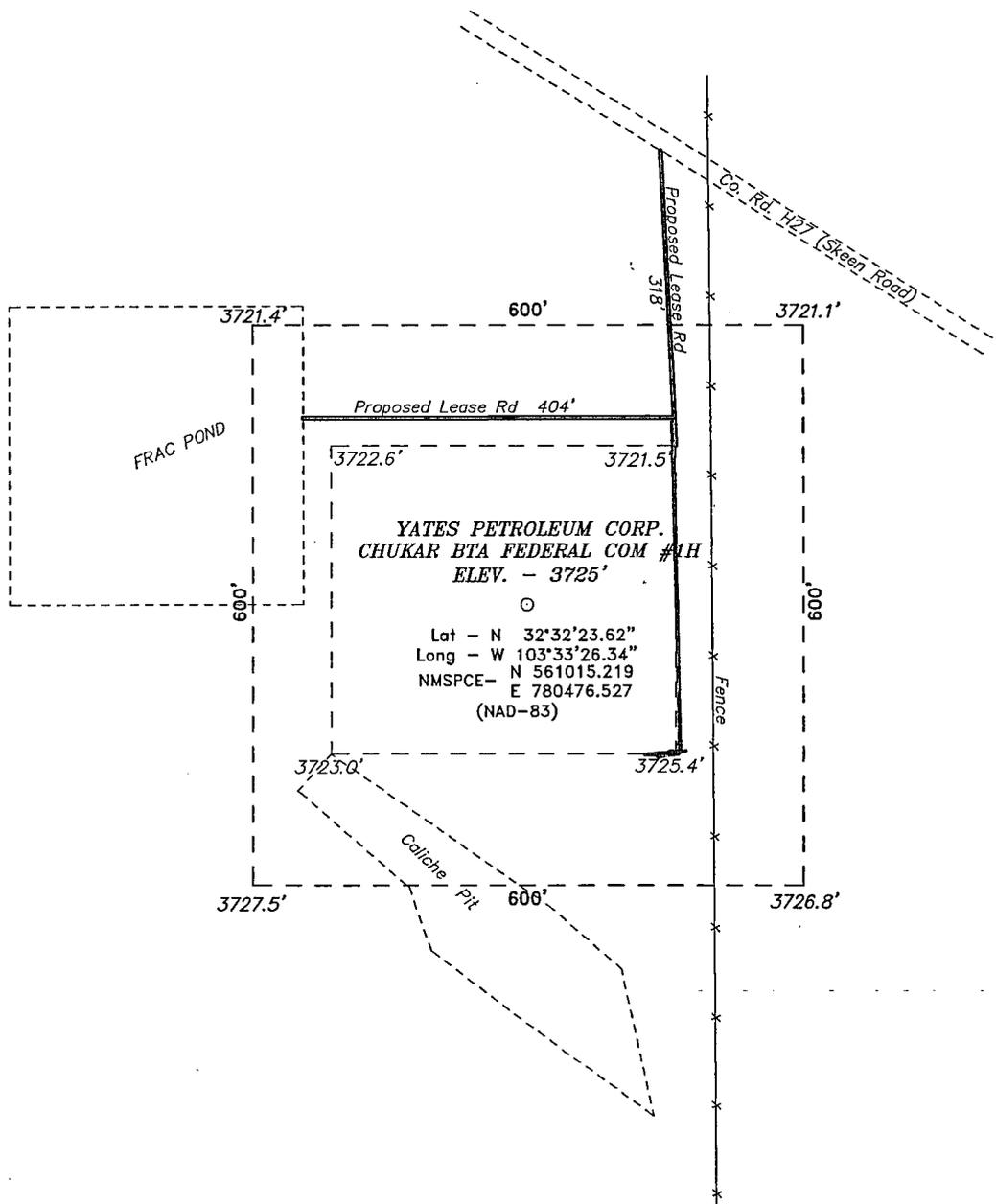
Scale: 1" = 2000'

YELLOW TINT - USA LAND
BLUE TINT - STATE LAND
NATURAL COLOR - FEE LAND



**YATES
PETROLEUM
CORP.**

SECTION 28, TOWNSHIP 20 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.



DIRECTIONS TO LOCATION

FROM THE JUNCTION OF SKEEN ROAD AND US 62/180,
GO SOUTH AND SOUTHEAST ON SKEEN ROAD FOR 5.1
MILES TO PROPOSED LEASE ROAD.

BASIN SURVEYS P.O. BOX 1786-HOBBS, NEW MEXICO

W.O. Number: 26655 | Drawn By: K. GOAD

Date: 05-02-2012 | Disk: KJG - 26655WELL.DWG

YATES PETROLEUM CORP.	
REF: CHUKAR "BTA" FEDERAL COM #1H / WELL PAD TOPO	
THE CHUKAR "BTA" FEDERAL COM #1H LOCATED 1110'	
FROM THE SOUTH LINE AND 200' FROM THE EAST LINE OF	
SECTION 28, TOWNSHIP 20 SOUTH, RANGE 34 EAST,	
N.M.P.M., LEA COUNTY, NEW MEXICO.	
Survey Date: 04-26-2012	Sheet 1 of 1 Sheets

2034

Reserve Middle Bay Oil
Sheldon Phillips-Fed 0.5570
Concho Res 912007
99047
33099
U.S. M
Mark Smith, (S)

Texaco New Mexico TD3650
Read Stevens 10-1-2001
YB-560
26259
State

Texas Leg TD 3708
Moran AZtec Fed. TD4155
Gacke Hanson "I"
U.S., M.I.
Mark Smith (S)

Wilson Oil
Broseco et al 070315
KCI Enter
Wallen Prod. Wallen Fed. TD3322
Wallen Prod Wallen Bass (Wallen Prod) Bass Wallen Bass
Wallen Fed. TD3607
U.S.

D.J. Schutz 5-1-2020 124667 \$2,800.00
Texas Elliott TD 3815
Shell (Nearburg Expl.) 3800 to 13,553
NRM
FET
Fed

J Bar C 8-1-20 123524 1,500.
Nearburg Expl. HBP 28880
D.J. Schutz 5-1-2020 124667 \$2,800.00
Burk Roy 066126
Hanson U.S.

Wallen Prod Wallen Bass (Wallen Prod) Bass Wallen Bass
Wallen Fed. TD3607
U.S.

Sundown Ener 082
Sine Ballard (Vogel-B) Pet. DE, E-Fed.
Sloan Pet. 082
U.S.

Pennzoil
Sloan Pet. 082
Hanson U.S.

Hudson et al Singleton TD 3720
Chesapeake Corp II 6-2008 TD3446
D.C. Berry et al Singleton
U.S.

Sundown Ener
Sloan Pet. 082
U.S.

Burk Roy. (Shell DTR) 066126
Hanson Fed.

TR Sibley (Yates Fed) 3998-13875 39255
U.S.

Carl Engwall
Sundown Ener (DE) 08970-P37
Fletcher Fed.
U.S.

Burk Roy. 066126 C
U.S. M.I.
D.C. Berry III et al.

Nearburg 3-1-2008 120566 29000
Norsworthy Perry TD 3790
Gates O'Brien
Fulfer OEC to 3500
OBS Oper. 60839 Fed. TD3874

Olsen Ener. "A" 029519
Waller Kinney
Texas T/A TD 3808

Burk Roy. (02127)
Fletcher U.S. M.I. Fed.
Lindley's Burk Roy. 02127
Hudson Fed.

Blueshem 5-31-22 128348 811,000
Devon Ener. HBP 082

Blueshem 5-31-22 128348 811,000
Texas T/A TD 3808

Olsen Ener. 029519
Miner Fed.
Phillips 03825
W.W. Per 10-31-22

R34E "B.V. Lynch"

R33E (Rubicon OEG) 7-1-2011 VB-944 60300
Cranfill Reynolds State TD 4046
Wise O.E.G.

Wise O.E.G. DeChickis

Elder, et al Shugart
Ridg TD 39

(OXY)
Texas Pacific HBC 13276
skofa Res.

Wallen Prod Wallen Fed. TD 3317
Mobil HBP 039356

Colton Fed. TD 3743
Armstrong Ener. AEC TD 8850 DIA 2-3-93

Phillips HBP -1922

ST. UNIT
NER

SECTION 28, TOWNSHIP 20 SOUTH, RANGE 34 EAST, N.M.P.M.,
LEA COUNTY, NEW MEXICO.

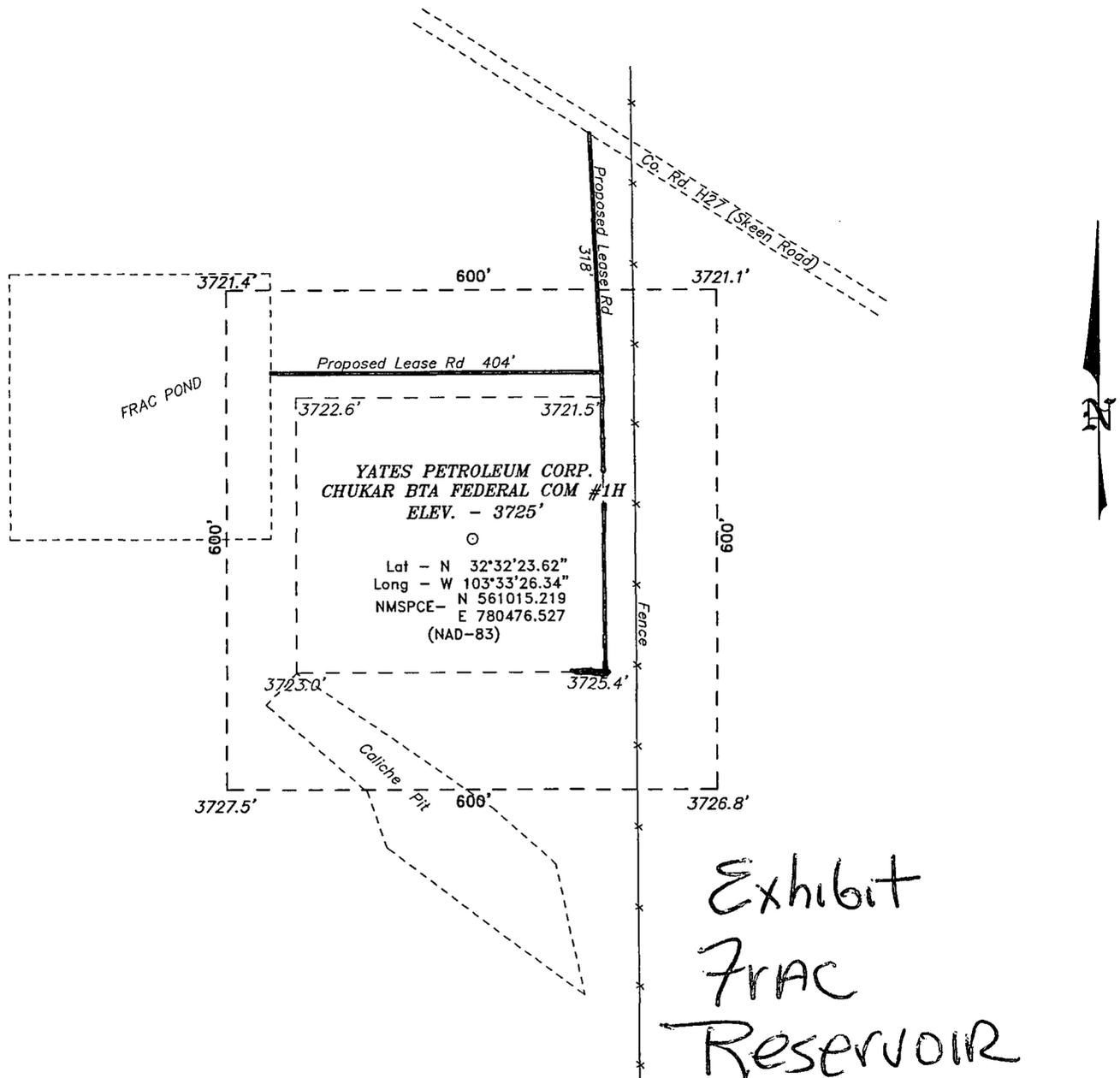
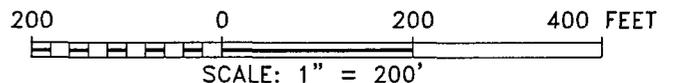


Exhibit
Frac
Reservoir



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